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Report Highlights:
After two consecutive low-production years, India's 2009/10 sugar production is forecast to increase to 20.8 million tons (raw value basis) on forecast higher sugarcane production. Forecast tight domestic supplies will contain consumption to 23.0 million tons, while imports are forecast to increase to a record 2.5 million tons.

Note: All sugar data in the report are on raw value basis unless otherwise noted.

Commodities:
Sugar, Centrifugal

Production: After two consecutive years of decline in sugar production, and the consequent increase in sugar and sugarcane prices, Indian sugar production is set to recover in marketing year (MY) 2009/10 (October/September). India's total centrifugal sugar production in MY 2009/10 is forecast at 20.8 million tons (including 404,000 tons of *khandsari* sugar [1]); up 24 percent from the MY 2008/09 estimate on improved sugarcane supplies due to expected higher cane planting and yields. *Gur* [2] production is forecast at 7.6 million tons compared to 7.2 million tons last year.

Strong sugar/gur prices during MY 2008/09, resultant high cane prices vis-à-vis last year [3], and timely cane price payment by the mills encouraged farmers to plant more cane this season. Relatively strong sugarcane prices vis-à-vis competing food crops (rice, wheat, maize, pulses) also supported cane planting. Consequently, MY 2009/10 cane area is forecast to increase by 9 percent to 4.8 million hectares. Assuming normal weather conditions, MY 2009/10 sugarcane production is forecast higher at 305 million tons (vs. 280 million tons in 2008/09).

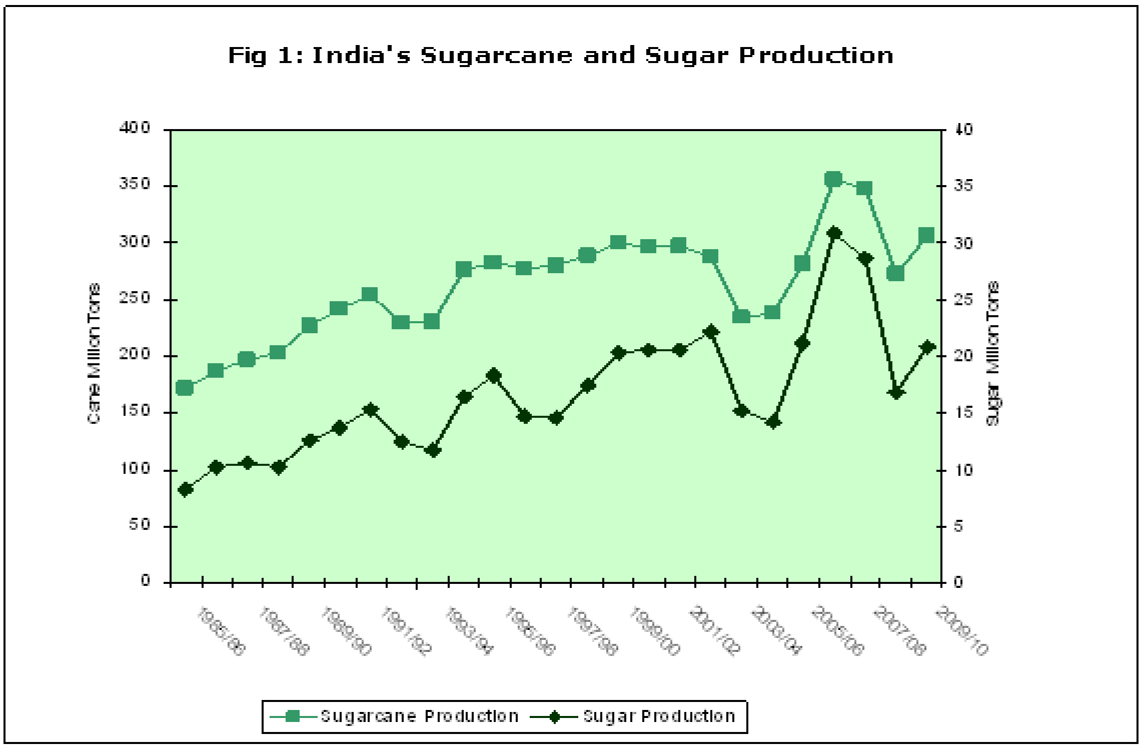
Post's MY 2008/09 centrifugal sugar production estimate is revised lower to 16.8 million tons on higher diversion of cane for production of alternative sweeteners (*khandsari and gur)* and a smaller than anticipated cane crop. Inadequate monsoon rains in July during the critical crop growth stage and the absence of winter rains (December/January) during the maturity stage in major cane producing states adversely affected crop yields resulting in the lower than anticipated cane production. Due to the cane pricing dispute with the state government, cane crushing by sugar mills was delayed by 25-30 days in one of the leading sugar producing state [4] starting in late November. Therefore, farmers diverted a significant portion of their cane crop to alternative sweeteners in September/November. Further, stronger *gur* prices encouraged *gur* manufacturers to compete with mills for cane during the peak crushing season.

Consequently, mill sugar production for MY 2008/09 up to March 15, 2009 is estimated at 13.3 million tons (crystal weight basis) compared to 19.5 million tons for the corresponding period of MY 2007/08. Due to the severe shortage, mills have stopped crushing operations in most states except the southern states of Karnataka, Tamil Nadu and some mills in Andhra Pradesh. Additionally, the sugar recovery from cane during the current season has been adversely impacted by lack of rains and abnormally higher winter temperatures in most of the cane growing areas. Industry sources report the average crushing duration during the MY 2008/09 lower at 120 days (vs. 150 days last year) and average sugar recovery at 9.56 percent (vs. 10.54 percent last year). Consequently, MY 2008/09 centrifugal sugar production is revised lower to 16.8 million tons against the earlier estimate of 22.9 million tons.

Post's estimates for MY 2007/08 sugar and sugarcane production have been revised marginally higher and sugarcane area lower based on final estimates from the Indian Sugar Mills Association and the Ministry of Agriculture, respectively.

Production Cycle to Resurge in MY 2009/10

Sugarcane and sugar production in India typically follows a 6 to 8 year cycle, wherein 3 to 4 years of higher production are followed by 2 to 3 years of lower production.



The production cycle is set to resurge after the two consecutive years of declining sugar production (MY 2007/08 and 2008/09). Lower production coupled with liquidation of a high sugar stocks carryover from previous years, resulted in an increase in sugar prices, which in turn has helped the Indian sugar industry ameliorate the financial crisis. Industry sources report that high sugar prices coupled with the tight cane supply forced mills to pay higher cane prices and issue timely payment to farmers. Strong *gur* prices encouraged *gur* manufacturers to pay higher cane price (Rs. 1200-1800 per ton vs. Rs. 600 to 1200 per ton last year). Consequently, cane price realization and net returns to sugarcane farmers has been considerably higher during the MY 2008/09 compared to the previous years. With the prices of food grains (wheat, rice, maize, pulses) being relatively stable, conditions are favorable for sugarcane planting vis-à-vis alterative crop rotations of food grains. Therefore, sugarcane area in MY 2008/09 is expected to improve to 4.8 million hectares compared to 4.4 million hectares last year. With sugar prices expected to remain very strong, mills should start the season early during MY 2009/10. Consequently, MY 2009/10 centrifugal sugar production is expected to recover to 20.8 million tons from the low of 16.8 million tons in MY 2008/09.

[[1] *Khandsari* sugar: a low recovery centrifugal sugar prepared by open-pan evaporation method.
[2] *Gur:* a crude non-centrifugal sugar in lump form produced by open pan evaporation method.
[3] See table 7.

[4] In September 2008, the Uttar Pradesh state government raised the state advised cane price to Rs. 1400/14500 per metric ton for the MY 2008/09 season, which was challenged by the private sugar mills in court in October, but the court ruled in favor of the state government in November, 2008. Due to the shortage of cane, sugar mills in the state raised the cane prices higher than the state advised prices.

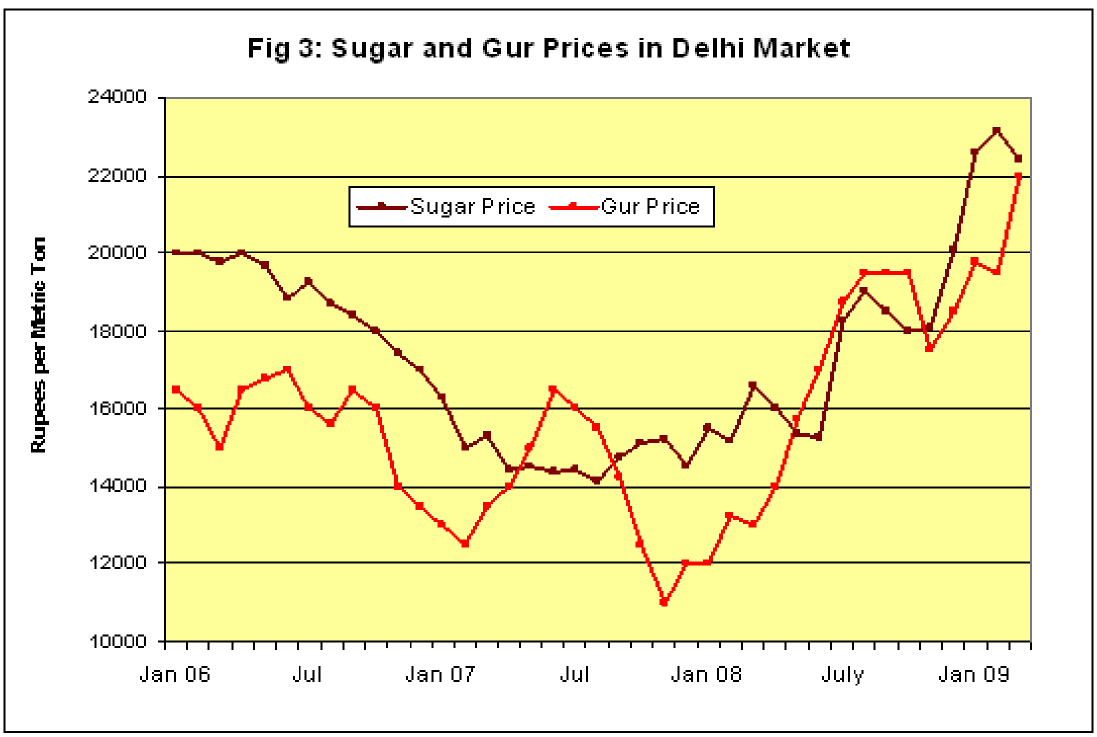
Consumption:

The recent slowdown economy growth [1] and expected strong sugar prices due to forecast tight supplies should contain any growth in consumption in MY 2009/10 to 23.0 million tons, unchanged from last year. Bulk consumers such as bakeries, makers of candy and local sweets, and soft-drink manufacturers account for about 60 percent of mill sugar demand. Most of the *khandsari* sugar is consumed by local sweets manufacturers. *Gur* is mostly consumed in rural areas for household consumption.

Post's MY 2008/09 consumption estimate is revised lower to 23.0 million tons due to tight supplies and resultant high sugar prices. MY 2007/08 consumption has also been revised lower to 23.6 million tons based on the latest figures compiled by the Indian Sugar Mills Association.

Prices and stocks

With relatively tight domestic supplies, sugar prices have been on the rise since July 2008. Prices have flared up significantly since December 2008 after the shortage of sugarcane and sugar became more evident [2] . *Gur* prices have kept pace with sugar prices and have now reached record levels (see Table 5 and 6).



Current sugar prices in major domestic wholesale markets range from $410 to $450 per ton, nearly 45 percent higher than last year's level. Prices are expected to gain in the coming months and remain firm during MY 2009/10. However, international prices and policy measures to be taken by the new government after the parliamentary elections in May 2009 could impact future domestic price movements.

The MY 2009/10 ending stocks are forecast at 4.8 million tons compared to 4.5 million tons for MY 2008/09 ending stocks, both well below the normal acceptable stock levels of the three-month consumption requirement.

Government Take Measures to Control Prices

Faced with rising sugar prices, the Government of India (GOI) decided to liquidate the MY 2006/07 buffer sugar stocks [3] . On July 15, 2008, the government allowed the sale of the first tranche of 2.0 million tons of buffer stocks in the domestic market during May 1 through September 30, 2008. Twenty five percent of the second tranche of the 3.0 million tons of buffer stock was allowed for sale in the domestic market from August 1 to September 30, 2008. On October 13, 2008, the government ordered sugar mills to sell the remaining 75% in four tranches – 30% by end December 2008, 20 percent by the end of March 2009, 30 percent by the end of June 2009 and 20 percent by the end of September 2009.

On February 17, 2009, the government relaxed the norms for duty free imports of raw sugar under the advance license scheme (see Trade Policy Section). The changed norms allow local mills to import raw sugar, refine and sell white/refined sugar in the domestic market, and meet future export commitments from domestic sugar when sugarcane and sugar supplies improve in the next 1-2 years.

On March 12, 2009, the central government issued a notification empowering state governments to impose stock limits and turnover limits on sugar held by traders to prevent 'hoarding' of sugar. Although the state governments will determine the exact quantum of stocks, the central government advised that traders should sell sugar stocks within one month of acquisition from mills and the stock limit should be less than 200 tons at any given point of time. However, government agencies, government recognized dealers and importers have been exempted from the stock limits. While the order is effective for four months from the date of issue, industry sources expect that the government may extend it further depending on the price of sugar and the supply situation.

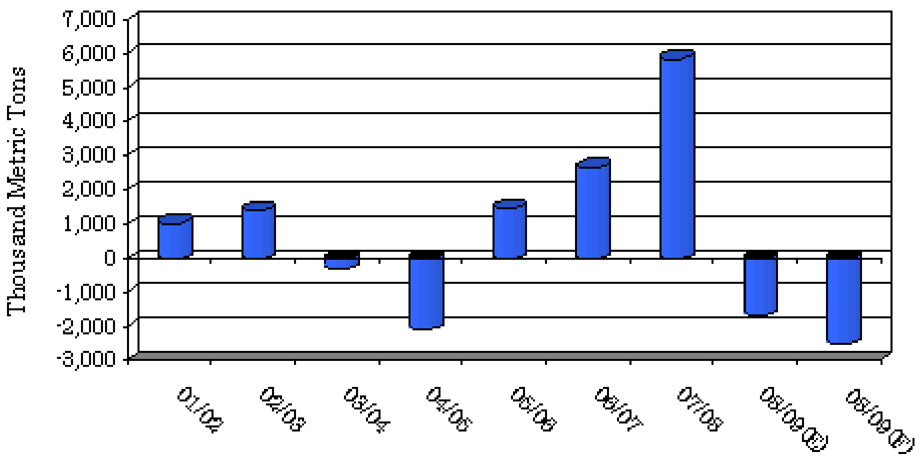
The government has proposed duty free imports of raw sugar with no export obligation and duty free imports of white sugar by government agencies to cap the galloping domestic sugar prices. However, the official notification may be delayed as the government machinery is busy with the upcoming parliamentary elections. The new government to be formed in May/June may have to take a decision on duty free imports of sugar, both white and raw, if sugar prices further escalate.

[1] Growth in the Indian economy is expected to slow down to 5-6 percent in Indian fiscal year (IFY April/March) 2009/10 from the strong economic growth of 8-9 percent per annum in recent years (prior to IFY 2007/08)
[2] Industry sources forecasted MY 2008/09 sugar production at 20-22 million tons crystal weight basis in September 2008, which was lowered to 18 million tons in November 2008, and further lowered to 16 million tons in February, 2009.
[3] For information on the MY 2006/07 buffer stocks, please refer to Gain report 'Sugar Annual 2008 IN8034'.

Trade:

After a gap of 3 years, India has emerged as a net importer in MY 2008/09. Due to the forecast tight domestic supplies, imports of sugar in MY 2009/10 are forecast to increase to a record 2.5 million tons as the government is expected to continue with the relaxed import policy. Most of the exports should be raw sugar for further processing to white sugar for sale in the domestic market. However, there may be some imports of white sugar in the first half of the season as the government may allow duty free sugar imports by the private trade. Forecast tight domestic supplies preclude any significant commercial exports of sugar in the near future, and MY 2009/10 exports will be limited to quota countries.

Fig 3: Indian Net Sugar Trade



Post's MY 2008/09 import estimate is revised higher to 1.8 million tons and exports lower to 140,000 tons based on information from the industry sources [1] . Trade sources estimate India's sugar imports during the first half of MY 2007/08 (Oct 2007- March 2008) at 655,000 million metric tons, all raw sugar from Brazil at prices ranging between $252-350 per ton CIF Indian port. An additional 450,000 tons have been contracted for delivery through May, 2009. Industry sources expect strong imports of raw sugar in August/September before the beginning of the next crushing season. After the record shipments in MY 2007/08, sugar exports tapered off from the beginning of MY 2008/09, mostly to neighboring countries (Sri Lanka 56,000 tons, Somalia 17,000 tons, and UAE 13,750 tons).

Post's MY 2007/08 sugar exports have been revised higher to 5.8 million tons based on the official trade figures (See Table 8).

[1] The official trade figures are available only for the first two months, i.e. Oct-November 2008.

Policy:Production Policy

Sugarcane Production and Pricing

The Government of India (GOI) supports research, development and transfer of new varieties and improved production technologies to growers in its endeavor to raise cane yields and sugar recovery rates. The Indian Council of Agricultural Research (ICAR) conducts sugarcane research and development at the national level. State agricultural universities, regional research institutions, and state agricultural extension agencies support these efforts at the regional and state levels. The central and state governments also support sugarcane growers by ensuring finances and input supplies at affordable prices.

The GOI establishes a minimum support price (MSP) for sugarcane on the basis of recommendations by the Commission for Agricultural Costs and Prices (CACP) and after consulting State Governments and associations of the sugar industry and cane growers. Several state governments further augment the MSP, typically by 20-25 percent, due to political compulsions rather than market pricing. Sugar mills are required to pay the "state advised price (SAP)" to sugarcane farmers irrespective of the market price of sugar. The continued increase in cane prices is largely unrelated to the end product (sugar) price. The high cane prices (accounting for about 65 percent of the cost of production) have driven the cost of Indian sugar very high ($380-400 per ton). Although the local industry has been advocating rationalization of cane pricing policy by linking it with domestic/world sugar prices, the political clout of the farmers lobby will likely sustain the current policy for the next few years.

Sugar Production and Marketing

The GOI has been following a policy of partial control and dual pricing for sugar. The local sugar mills are required to supply ten percent of their production to the government as 'levy sugar' at below-market prices, which the government distributes through the Public Distribution System (PDS) to its below-poverty line population at subsidized rates. Mills are allowed to sell the balance of their production as 'free sugar' at market prices. However, the sale of free-sale sugar and levy sugar is administered by the government through periodic quotas [1] , designed to maintain price stability in the market. Since the government approved futures trading in sugar in May 2001, three national exchanges have been given permission to engage in sugar futures trading.

The GOI levies a fee of Rs. 240 [2] ($6.08) per ton of sugar produced by mills to raise a Sugarcane Development Fund (SDF), which is used to support research, extension, and technological improvement in the sugar sector. The SDF is also often used to support sugar buffer-stocks operations, provide a transport subsidy for sugar exports, and provide an interest subsidy on loans for the installation of power generation and ethanol production plants. In March 2008, the GOI enacted the Sugar Development Fund (Amendment) Bill, 2008 that enables the government to include the use of the funds for debt restructuring and soft loans to the sugar mills.

Ethanol Program

India's ethanol program is based on producing ethanol from sugar molasses, a by-product of the sugar industry and not directly from sugarcane or corn as in most countries.

In January 2003, the government launched a program mandating blending of 5 percent ethanol in gasoline in nine select states and four Union Territories. However, implementation of the program was limited due to inconsistent and inadequate availability of ethanol to oil companies. The program was discontinued in 2004 because of a shortage of molasses due to low sugarcane production. In August 2005, the program was restarted following increased availability of molasses resulting from higher cane production.

In September 2006, the GOI launched the second stage of the ethanol blending program (EBP) targeting five percent blending of petrol with ethanol, if commercially viable, across 20 states and four Union territories with effect from November 2006. However, petrol marketing companies faced difficulties in implementing the program due to higher prices demanded by local ethanol suppliers and issues of high taxes and levies in several states. Oil marketing companies floated tenders and have agreed to purchase ethanol from the sugar industry at prices at Rs. 21.5 per liter.

The slowdown in MY 2007/08 and 2008/09 of sugar production and consequent low molasses production has raised molasses prices to levels at which the sugar industry can not supply ethanol at the pre-negotiated prices (Rs. 21.5 per liter). The ethanol blending program has come to a halt since the first quarter of MY 2008/09 as most ethanol suppliers to oil marketing companies have preferred to pay the fine for default. Earlier, the government was forced to postpone the proposed third stage of the EBP from October 2008, wherein the mandatory ethanol blending ratio was to be raised from 5 percent to 10 percent. Industry sources believe that the EBP will restart only in MY 2010/11 when sugarcane and sugar supplies improve.

The government offers financial support in the form of subsidized loans of up to 40 percent of the project cost for setting up ethanol production facilities. However, there is no direct financial assistance or tax relief offered by the government for the production and marketing of ethanol and/or ethanol blended petrol.

For more on India's ethanol program, please refer Gain report 'India Biofuels Annual IN8063.

[1] Currently, the central government announces a three month quota allocation for free sale and levy sugar with specific allocation to each sugar mill.
[2] On February 25, 2008, the GOI raised the levy for the SDF from Rs. 150 per ton to Rs. 240 per ton effective March 1, 2008.

TRADE POLICY

The basic import duty on sugar (ITC HS Code 1701) is 60 percent advalorem on the CIF value, plus a countervailing duty (CVD) [1] of Rs. 950 ($19.15) per ton. In addition, there is an education cess of 3 percent on the total import duty (basic import duty plus CVD).

Under an advance license scheme (ALS), local sugar mills are allowed to import raw sugar at zero duty against a future export commitment. Typically, the mills are permitted to sell the raw sugar imported under ALS after refining in the domestic market, subject to the condition that they will re-export 1.00 ton of refined sugar for every 1.05 tons of raw sugar imported subject to actual user condition [2] within two years.

On February 17, Ministry of Commerce and Industry issued a notification allowing raw sugar imports under the ALS to mills and exporters tied to mills, and exempted future export commitments from actual user conditions [3] for raw sugar imports during February 17, 2009 to September 30, 2009. Industry sources expect that the government will further extend the notification for raw sugar imports in MY 2009/10. Imported sugar both under ALS and otherwise is also subject to various non-tariff barriers such as the levy sugar obligation and the market quota release system, applicable to domestic sugar (see Section III).

The GOI no longer provides any export incentive (transport subsidy) [4] for sugar. Nevertheless, sugar for exports are exempted from local taxes and fees imposed on domestic sugar which amounts to Rs. 950 ($24) per ton. Sugar exporters also receive a duty drawback benefit [5] on the export value (FOB) for imports of goods under an open general license.

[1] The CVD is in lieu of local taxes and fees imposed on domestic sugar (excise duty of Rs. 710 ($14.31) and a cess of Rs. 240 ($4.84) per ton).
[2] Refined/white sugar for export is produced from the same imported raw sugar.
[3] Refined/white sugar from the imported raw sugar can be sold in the domestic market, and the importing mill can meet the re-export commitment by exporting domestic sugar produced by the mill in the future or procuring and exporting domestic sugar produced from any other mill.
[4] See Sugar Annual 2008 (IN8034)
[5] 5 percent of the export value for white sugar and 4 percent of the export value for raw sugar.

Production, Supply and Demand Data Statistics:

Table 1: Commodity, Centrifugal Sugar (raw value basis), PSD

Sugar, Centrifugal India	2008			2009			2010			
	2007/2008			2008/2009			2009/2010			
	Market Year Begin: Oct 2007			Market Year Begin: Oct 2008			Market Year Begin: Oct 2009			
	Annual Data Displayed		New Post	Annual Data Displayed		New Post	Annual Data Displayed		Jan	
			Data			Data			Data	
Beginning Stocks	11,300	9,850	9,850	10,480	9,030	9,100			4,540	(1000 MT)
Beet Sugar Production	0	0	0	0	0	0			0	(1000 MT)
Cane Sugar Production	28,580	28,580	28,630	22,870	22,870	16,780			20,750	(1000 MT)
Total Sugar Production	28,580	28,580	28,630	22,870	22,870	16,780			20,750	(1000 MT)
Raw Imports	0	0	0	1,000	1,000	1,700			2,000	(1000 MT)
Refined Imp.(Raw Val)	0	0	0	0	0	100			500	(1000 MT)
Total Imports	0	0	0	1,000	1,000	1,800			2,500	(1000 MT)
Total Supply	39,880	38,430	38,480	34,350	32,900	27,680			27,790	(1000 MT)
Raw Exports	2,700	2,700	3,330	100	100	0			0	(1000 MT)
Refined Exp.(Raw Val)	2,200	2,200	2,500	200	200	140			20	(1000 MT)
Total Exports	4,900	4,900	5,830	300	300	140			20	(1000 MT)
Human Dom. Consumption	24,500	24,500	23,550	25,000	25,000	23,000			23,000	(1000 MT)
Other Disappearance	0	0	0	0	0	0			0	(1000 MT)
Total Use	24,500	24,500	23,550	25,000	25,000	23,000			23,000	(1000 MT)
Ending Stocks	10,480	9,030	9,100	9,050	7,600	4,540			4,770	(1000 MT)
Total Distribution	39,880	38,430	38,480	34,350	32,900	27,680			27,790	(1000 MT)

Note: Stocks include only milled sugar, as all *khandsari* sugar produced is consumed within the marketing year. Virtually no centrifugal sugar is utilized for alcohol, feed, or other non-human consumption.

Table 2: Commodity, Sugarcane, Centrifugal, PSD

Sugar Cane for Centrifugal India	2008			2009			2010			
	2007/2008			2008/2009			2009/2010			
	Market Year Begin: Oct 2007			Market Year Begin: Oct 2008			Market Year Begin: Oct 2009			
	Annual Data Displayed		New Post	Annual Data Displayed		New Post	Annual Data Displayed		Jan	
			Data			Data			Data	
Area Planted	5,290	5,290	5,040	4,410	4,410	4,410			4,800	(1000 HA)
Area Harvested	5,290	5,290	5,040	4,410	4,410	4,410			4,800	(1000 HA)
Production	340,000	340,000	348,190	280,000	280,000	272,000			305,000	(1000 MT)
Total Supply	340,000	340,000	348,190	280,000	280,000	272,000			305,000	(1000 MT)
Utilization for Sugar	267,000	267,000	256,910	211,500	211,500	166,500			192,000	(1000 MT)
Utilizatn for Alcohol	73,000	73,000	91,280	68,500	68,500	105,500			113,000	(1000 MT)
Total Utilization	340,000	340,000	348,190	280,000	280,000	272,000			305,000	(1000 MT)

Note: Virtually no cane is utilized directly for alcohol production. 'Utilization for alcohol' in the PS&D includes cane used for gur, seed, feed and waste. 'Utilization for sugar' data include cane used to produce mill sugar and khandsari sugar.

Table 3: Sugarcane Area, Production, and Utilization

Cane	AREA/1	YIELD/1	PRODUCTION/1	SUGAR/2	KHANDSARI/3	GUR /3	SEED/3
	Mha	MT/ha	MMT	MMT	MMT	MMT	MMT
1985/86	2.86	59.99	171.68	68.98	10.48	71.62	20.60
1990/91	3.69	65.39	241.05	122.32	13.18	76.63	28.93
1995/96	4.15	68.02	282.09	174.76	10.00	67.27	30.06
2000/01	4.32	68.49	295.60	176.65	11.00	72.48	35.47
2001/02	4.41	67.38	297.21	180.32	10.50	70.73	35.67

2002/03	4.52	63.58	287.38	194.33	9.50	49.07	34.49
2003/04	3.94	59.39	233.86	132.51	10.00	61.35	30.00
2004/05	3.66	64.74	237.09	124.77	9.50	74.37	28.45
2005/06	4.20	66.93	281.17	188.67	8.50	50.26	33.74
2006/07	5.15	69.03	355.52	279.30	7.50	33.73	35.00
2007/08 ®	5.04	69.04	348.19	249.91	7.00	59.28	32.00
2008/09 ®	4.40	61.82	272.00	160.00	6.50	71.50	34.00
2009/10 (F)	4.80	63.54	305.00	185.00	7.00	76.00	37.00

Note: Figures for 2008/09 and 2009/10 are FAS estimates.

Source: /1: Directorate of Economic and Statistics, Ministry of Agriculture

/2: Indian Sugar Mills Association except 2008/09 and 2009/10

/3: FAS/New Delhi estimate

Table 4: Mill Sugar Production by State

(Figures in 100,000 tons crystal weight basis)

State	2006/7	2007/08	2008/09	2009/10
	Final	Final	Revised	Forecast
Andhra Pradesh	16.8	13.4	7.0	9.0
Bihar	4.5	3.4	2.5	4.0
Gujarat	14.2	13.7	10.0	12.0
Haryana	6.5	6.0	2.5	4.0
Karnataka	26.6	29.0	18.0	22.0
Maharashtra	91.0	90.8	45.0	52.0
Punjab	4.9	5.3	3.0	4.0
Tamil Nadu	25.4	21.4	18.0	20.0
Uttar Pradesh	84.8	73.2	41.0	55.0
Others	8.7	7.5	6.0	8.0
Total	283.28	263.56	153.00	190.00

Note: Excludes khandsari sugar, as state break-up is not available.

Source: /1: MYs 2006/07and 2007/08 - Indian Sugar Mills Association

/2: MYs 2008/09 and 2009/10 – FAS/New Delhi Estimate

Table 5: Commodity, Centrifugal Sugar, Price Table

(Price in crystal weight basis)

Prices in	Rupees		per uom	Metric Tons
Year	2007	2008	2009	% Change
Jan	16300	15500	22600	39%
Feb	15000	15150	23150	54%
Mar	15300	16600	22400	46%
Apr	14400	16000		

May	14500	15350		
Jun	14350	15250		
Jul	14420	18250		
Aug	14150	19000		
Sep	14750	18500		
Oct	15100	18000		
Nov	15200	18100		
Dec	14500	20100		
Exchange Rate	41.00	47.00	49.60	
Local Currency/US $				

Note: Exchange rate for 2007 and 2008 refers to Indian Fiscal Years 2007/08 (April/March) and IFY 2008/09 respectively. Exchange rate of 2009 is as on April 6, 2009.

Source & Contract Terms: Indian Sugar Mills Association; month-end prices in the Delhi wholesale market

Table 6: Commodity, Gur, Price Table

(Price in actual weight basis)

Prices in	Rupees		per uom	Metric Tons
Year	2007	2008	2009	% Change
Jan	13000	12000	19750	65%
Feb	12500	13250	19500	47%
Mar	13500	13000	22000	69%
Apr	14000	14000		
May	15000	15750		
Jun	16500	17000		
Jul	16000	18750		
Aug	15500	19500		
Sep	14250	19500		
Oct	12500	19500		
Nov	11000	17500		
Dec	12000	18500		
Exchange Rate	41.00	47.00	49.60	
Local Currency/US $				

Note: Exchange rate for 2007 and 2008 refers to Indian Fiscal Years 2007/08 (April/March) and IFY 2008/09 respectively. Exchange rate of 2009 is as on April 6, 2009.

Source & Contract Term: Indian Sugar Mills Association; month-end prices in the Delhi wholesale market.

Table 7: Commodity, Sugarcane, Price Table

(Price in Rs. per ton)

PRICE	2008/09	2007/08	2006/07
Minimum Support Price (MSP)*	811.8	811.8	802.5
State Advised Price for			
Uttar Pradesh	1400-1800	1250-1320	1250-1300
Haryana/Punjab	1400-1600	1100-1300	1260-1320
Southern States	1200-1500	850-1050	1025-1160

Notes:

a): The MSP for 2006/07, 2007/08 and 2008/09 linked to a basic recovery rate of 9.0 percent, and for every 0.1 % increase in recovery over the 9.0% basic recovery rate, an additional premium of Rs. 9.0/mt, respectively.

Exchange Rate:

IFY 2006/07 (April/March) 1 US$= 42.25 Indian Rs.

IFY 2007/08 (April/March) 1 US$= 41.00 Indian Rs.

IFY 2008/09 (April/March) 1 US$= 47.0 Indian Rs.

Source: Indian Sugar Mills Association

Table 8: Export Trade matrix: Centrifugal Sugar

(Quantities in actual weight basis)

Time Period	Oct-Sept	Units:	Metric Tons
Exports for:	2008		2009
U.S.	2703	U.S.	70
Others		Others	
UAE	1292842	Sri Lanka	15211
BANGLADESH PR	886536	UAE	8434
SRI LANKA	547040	Djibouti	6750
MALAYSIA	363833	Saudi Arabia	5120
SOMALIA	292571	Somalia	4011
YEMEN REP	269952	Nepal	3201
SAUDI ARABIA	245015	Kenya	2609
CHINA P REP	229342	Pakistan	1820
IRAN	222227	Malaysia	1160

EGYPT	205372		
Total for Others	4554730		48316
Others not Listed	1274000		13559
Grand Total	5831433		61945

Note: Export figures for 2009 refer to exports in October-November 2008.

Source: Directorate General of Commercial Intelligence, Ministry of Commerce (GOI).